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United States Senate

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY

WASHINGTON, DC 20510-6000

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February 6, 2007

The Honorable Mark E. Keenum
Under Secretary of Agriculture
Farm and Foreign Agricultural Services
United States Department of Agriculture
Room 205-E Jamie L. Whitten Building
1400 Independence Ave. SW
Washington, DC 20250

Dear Dr. Keenum:

Over the last several years, increased volume of unfairly-traded imports of honey, higher production costs, and a declining honey bee population have all contributed to making it difficult for honey producers to operate profitably. In response to concerns about the financial volatility faced by honey producers, Congress sought to reduce that risk by including in the language of the Agricultural Risk Protection Act of 2000 (P.L. 106-224) a specific reference to developing pilot coverage to protect honey producers against destruction of bees by the use of pesticides (Section 523(a)(3)(B)). We understand that USDA's Risk Management Agency funded a contract in 2005 aimed at developing a pilot program for insuring honey producers against a variety of causes of loss, but no product has yet been submitted for approval to the Board of the Federal Crop Insurance Corporation.

We ask you to provide the Senate Committee on Agriculture, Nutrition, and Forestry an update on the status of the honey pilot program, and establish a timeline for taking the steps necessary to complete the pilot program's development to make it ready for consideration by the Board of the FCIC. In addition, we would like to see a summary of the report prepared by the contractor on this pilot program, if it has been completed. Since no information to the contrary has been provided, we assume USDA intends to proceed with the pilot program. If not, we would like to know the reasons for such a decision.

The availability of such protection would not only benefit U.S. honey producers, who numbered more than 17,000 in the 2002 Census of Agriculture, but would also indirectly assist U.S. producers of fruits and vegetables, who rely heavily on honey bees for pollinating their crops. A 2000 Cornell University study estimated that honey bee pollination of U.S. crops added value of more than \$14.6 billion annually to the agricultural sector.

We look forward to receiving your report on the status of the honey insurance pilot and issues raised above. Please direct your response to the attention of Stephanie Mercier on the Committee staff. Thank you for your prompt attention to this inquiry. Copies of this letter will also be sent to RMA Administrator Eldon Gould and USDA Chief Economist Keith Collins in his capacity as Chairman of the FCIC Board.

Sincerely,

Tom Hankin
Kent Conrad
John V. Cline
Jim Tate

Chuck Grassley
Max Baucus
Byron L. Dorgan

CC: Gould, Collins